

Committee on Trade and Development

Status

The Committee on Trade and Development was established in 1965 to strengthen the GATT's role in the economic development of less-developed GATT Contracting Parties. In the WTO, the Committee on Trade and Development is a subsidiary body of the General Council. The Committee addresses trade issues of interest to Members with particular emphasis on the results in the Uruguay Round and on the operation of the "Enabling Clause" (the 1979 Decision on Differential and More Favorable Treatment, Reciprocity and Fuller Participation of Developing Countries). This included areas such as the Generalized System of Preferences (GSP) programs, the Global System of Trade Preferences among developing countries and regional integration efforts among countries. The Committee also has a role in advising the WTO Secretariat on technical assistance programs.

Assessment of the First Five Years of Operation

The Committee has historically functioned as a forum for developing countries to discuss the broad range of issues of special interest to development, in contrast to the other committees in the WTO structure which are responsible for the operation and implementation of particular agreements. Thus, the Committee offers a unique venue for Members to discuss trade issues in the broader context of development. The Committee's discussion of development-related issues has generated considerable interest, debate, and a variety of viewpoints. But, one thing that is abundantly clear from the Committee's work is that, while all developing countries are interested in development, the precise meanings of and methods to achieve development are unique to each country.

The Committee's work has contributed positively to the WTO's discussions on electronic commerce. For example, Committee discussions on the development dimensions of electronic commerce in 1999 were generally viewed as useful in educating developing country Members on the potentially large benefits of opening their markets to the high technology sector. The initiative to equip least developed and developing countries with computers and internet access was very positive, and complemented the Leland Initiative of the United States. Under the auspices of the U.S. Agency for International Development, the Leland Initiative facilitated the improvement of telecommunications infrastructures, including internet infrastructure, in a number of Sub-Saharan African countries. The Leland Initiative enabled the Trade Reference Centers to connect to the Internet.

The Committee's involvement in two successful High Level Meetings – the 1997 High Level Meeting on the Least Developed Countries and the 1999 Symposium on Trade and Development – are two additional examples of the CTD's positive contribution to the overall WTO work program. These meetings brought attention to the concerns of many countries while, at the same time, provided an opportunity for non-governmental organizations, observers and other entities to participate in the discussion. The Committee has been instrumental in helping to shape the debate about the benefits of trade liberalization to development prospects and the role of technical assistance and capacity building in this effort. The work on the Integrated Framework of Technical Assistance (discussed in detail below) was the result of initiative undertaken by the Committee to ensure better coordination among donor agencies and countries.

Major Issues in 1999

The Committee held five formal meetings in 1999. Its work focused on the following areas: preparations for the March 1999 High Level Symposium on Trade and Development; review of the special provisions in

the Multilateral Trading Agreements and related Ministerial Decisions in favor of developing country Members, in particular least-developed countries; the development dimension of trade facilitation; the development dimension of electronic commerce; and technical assistance and training.

High Level Symposium on Trade and Development: Following requests from several Members, the WTO held the High Level Symposium on Trade and Development March 17-18, 1999. The purpose of the symposium was to hold an informal, high-level dialogue on trade and development issues in order to address the development dimension of international trade issues and trade-related concerns of developing countries, including least developed countries, and to highlight the role of the WTO in promoting developmental objectives set out in the Preamble to the Marrakesh Agreement.

Development Dimensions of Trade Facilitation and Electronic Commerce: Throughout the year, the CTD held useful discussions and did valuable work on these two important areas that offer substantial potential benefits to developing countries. On trade facilitation, the Committee held several discussions of the relevance of this issue to development. With respect to electronic commerce, Members discussed a wide range of issues relating to electronic commerce and development including potential benefits from electronic commerce for developing countries and potential problems developing countries might face with respect to electronic commerce. The Committee also held a one-day seminar on Electronic Commerce and Development on February 19, 1999 which was widely attended by government officials and private sector representatives from several countries to allow for informal exchanges of views on this important topic.

Technical Assistance: One element of the Plan of Action for Least Developed countries agreed by Ministers at the 1996 Singapore Ministerial Meeting was the desire to foster an integrated approach to trade-related technical assistance activities for the least-developed countries with a view to improving their overall capacity to respond to the challenges and opportunities offered by the trading system. The result was the Integrated Framework for Trade-related Technical Assistance (“Integrated Framework”) that seeks to coordinate the trade assistance programs of six core international organizations (the International Monetary Fund, the International Trade Center, the United Nations Conference on Trade and Development, the United Nations Development Program, the World Bank and the WTO). In addition, least developed countries can invite other multilateral and bilateral development partners to participate in the Integrated Framework process. The Committee devoted considerable time to reviewing the experiences to date with the implementation of the Integrated Framework and discussing possible ways to improve its ability to serve the needs of developing countries. Building upon the experiences with the Integrated Framework, the United States and six developing countries tabled proposals in the Third Ministerial process concerning ways to improve capacity building and technical assistance efforts in the WTO.

A particularly important and successful element of the WTO technical assistance program in 1999 was its initiative to establish “Trade Reference Centers” in each least developed country and a variety of developing countries. Established in a government ministry, usually the trade ministry, the “center” is designed to allow officials better access to WTO resources, the resources of the Integrated Framework and other trade resources. This is accomplished through placement of a personal computer, appropriate software, printer, internet connection, and support in the center. To date, Trade Reference Centers have been installed in 56 countries. The United States contributed financially to this project.

Work for 2000

The Committee will continue its function as the forum for discussion of development issues within the WTO. Particular emphasis is likely to be placed on two topics: the application of special and differential treatment in existing agreements and potential scope for different approaches in new negotiations; and improved technical assistance and capacity building. Any further debate on special and differential treatment will need to address the growing divergences among developing countries and the least-developed

in their ability to participate effectively in further trade negotiations and benefit from new agreements. On technical assistance, the Director-General has already pledged greater efforts to work with specialized agencies to address the growing needs of WTO Members. The Committee will be expected to look carefully at proposals and consult with Members on new approaches. In this connection, the Committee will work closely with the WTO Secretariat to devise a method to regularly evaluate the Secretariat's technical assistance activities. Members have committed to improve and enhance the Integrated Framework, and are likely to extend some concepts of that program to other developing countries.